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RUEHLO/AMEMBASSY LONDON PRIORITY 4446
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0285
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1973
RUEKJCS/SECDEF WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
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C O N F I D E N T I A L KATHMANDU 002620

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [UK](#) [NP](#)
SUBJECT: AMBASSADOR UNDERSCORES SERIOUSNESS OF SITUATION
FOR BRITISH STATE MINISTER

REF: A. KATHMANDU 1373
[1](#)B. KATHMANDU 2587

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) During a September 25 meeting with the British Minister of State for Foreign and Commonwealth Affairs Dr. Kim Howells and British Ambassador Dr. Andrew Hall, the Ambassador strongly reinforced the need for the separation of Maoists from their weapons. The Ambassador stated that he thought that continued Maoist atrocities were part of a bluff aimed at toppling the Government of Nepal (GON) through political intimidation rather than military might. The Ambassador stressed the need for the GON to use the security forces to enforce law and order. Howell initially suggested that the Maoist issue might be similar to the Northern Ireland problem, but the Ambassador pointed out that Nepal's Maoists appeared to believe they were on the verge of victory, in marked contrast to the situation in Northern Ireland. The Ambassador stated that the U.S. would need to reevaluate all assistance to the GON if the Maoists entered the government before separating from their weapons. Howells acknowledged the gloomy outlook for the future of the peace process in Nepal.

Separation of Maoists and Weapons Key

[1](#)2. (C) During a September 25 meeting, the Ambassador stressed to Kim Howells, British Minister of State for Foreign and Commonwealth Affairs, and British Ambassador Andrew Hall the need to separate the Maoists from their weapons before they entered the government. Howells said that, during a meeting with Prime Minister Koirala, Koirala kept insisting that arms management was the most important issue on the table currently. Howells also shared that, in a meeting with Chief of Army Staff General Katawal, Katawal seemed pessimistic about the process of arms management. The Ambassador disputed the British Ambassador's assertion that the Maoists might be prepared to enter into a peaceful democratic process in order to gain international legitimacy, stating that Maoist actions indicated they were more interested in power than in gaining international legitimacy. The Ambassador

reiterated his hope that PM Koirala would stick to his guns about arms separation but feared that Home Minister and chief GON negotiator Sitaula would attempt to persuade the PM to give in on the issue, thereby opening the door for the Maoists to come to power quickly.

Maoist Intimidation Part of a Bluff

13. (C) The Ambassador told Howells that the current Maoist atrocities across the country appeared to be part of a bluff aimed at toppling the GON through intimidation. The Ambassador noted that, since the Maoists could not beat the GON security forces in a military battle, they were opting for a political victory. To this end, the Maoists had increased threats and extortion against businesspeople and politicians to pressure the GON to capitulate on every issue during peace negotiations. The Ambassador informed Howells that he had been pushing the GON to start using the security forces to restore law and order country-wide in order to create an environment conducive to peace. However, thus far, the GON had been loathe to take this step for fear of pushing the Maoists away from the negotiating table and collapsing the peace process.

Maoists Must Be Held Accountable

14. (C) In response to Howells' suggestion that a possible solution to the conflict could be found through small, incremental steps leading to a peace treaty with milestones and measurements similar to the Northern Ireland peace process, the Ambassador stated that, unless the Maoists were separated from their arms, such a process would likely not be

successful. The Ambassador pointed out the importance of holding the Maoists accountable and responsible for living up to the milestones already in existence in the 25-point cease-fire Code of Conduct (Ref A). The Maoists had been breaking the Code of Conduct continuously and no one had been holding them accountable. The Ambassador questioned Howells as to why the Maoists would stick to an agreement when they did not have to and were so close to grabbing power without following the rules. Howells agreed that the situation looked "gloomy" and pessimistic.

U.S. Assistance Would Be Affected by Maoist Takeover

15. (C) Howells inquired about the potential U.S. response if the Maoists were to enter the government while still in possession of their weapons. The Ambassador responded that the U.S. would likely stop all assistance to the GON and reevaluate other assistance to Nepal. The Ambassador also suggested that other countries would likely have problems with a Maoist-controlled government, such as India. The Ambassador stressed that a Maoist-dominated government in Nepal could destabilize South Asia if it chose to support Naxalite movements in northern India. The Indian government would then have to decide how to respond, while factoring in the likely Chinese reaction. Howells agreed that such an outcome would be very problematic.

Comment

16. (C) Although Howells seemed well-informed about the situation in Nepal, it was clear during the meeting that he had not been briefed fully on the U.S. position and that the British Embassy's views were different from what the Ambassador told him. Howells appeared to take the suggestions and comments of the Ambassador seriously and seemed somber about the situation in Nepal after the meeting. Post will continue to buck up the British Embassy here to take a strong line against inclusion of the Maoists in the Government of Nepal until separated from their weapons.

MORIARTY